



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

March 1, 1999

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MICHAEL S. BEARSE
General Counsel

Mr. F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4817

Dear Mr. Turley:

In September 1998, the Commission received a complaint from Greg Hasty alleging that the North Central Illinois Laborers' District Council Political Action Committee (hereinafter "PAC") was unlawfully contributing union dues money to political candidates. As we have previously told you, the PAC does not contribute to candidates in federal elections and hence, its activities do not come within the scrutiny of the Federal Election Commission.

The undersigned serves as counsel to the PAC in this matter. Enclosed is a designation of counsel executed by John Penn, Business Manager, North Central Illinois Laborers' District Council.

The scope of the Federal Election Commission is limited to federal election activities. 2 U.S.C. § 441b(a). The PAC, however, does not contribute to federal candidates. See attached Affidavit of Michael LaHood, Secretary-Treasurer of the PAC. This policy of refraining from federal election campaign activity was adopted by the PAC following the 1991 conciliation agreement in MUR 3209.

Nor does the PAC contribute indirectly to federal candidates. It does not make contributions to the Laborers' Political League, a hard money fund that participates in federal campaigns. Rather, such contributions as the PAC makes to the national operation

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Mr. F. Andrew Turley
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are solely to the Laborers' Political League Educational Fund,
a soft money fund which does not itself contribute to federal
candidates. See Affidavit of Michael LaHood.

I trust that this response is sufficient to allow the
Commission to resolve the complaint in this matter. Please
contact the undersigned if any further statement or documentation
is required of the PAC.

Sincerely yours,



Theodore T. Green
Associate General Counsel

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Enclosures:

Designation of Counsel
Affidavit of Michael LaHood, and attached thereto the
Bylaws of the North Central Illinois Laborers'
District Council Political Action Committee

cc: Midwest Regional Office

Michael LaHood, Secretary-Treasurer North Central
Illinois Laborers' District Council

Donald Kaniewski, Director, Laborers' Political League

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4817

NAME OF COUNSEL: Theodore T. Green

FIRM: Laborers' International Union

ADDRESS: 905 - 16th Street, NW
Washington, DC 20006

TELEPHONE: (202) 942-2207

FAX: (202) 942-2208

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

10/30/98
Date


Signature

RESPONDENT'S NAME: John F. Penn, Business Manager

ADDRESS: North Central Illinois Laborers' District Council

6714 N. Frostwood Parkway

Peoria, Illinois 61615

TELEPHONE: HOME(309) 828-3904

BUSINESS(309) 692-8750

AFFIDAVIT OF MICHAEL LAHOOD

Affiant, Michael LaHood, does hereby solemnly affirm that the following is true of his own personal knowledge.

1. Affiant has held the position of Secretary-Treasurer in the North Central Illinois Laborers' District Council Political Action Committee (PAC) since August 25, 1994.
2. All checks expending funds of the PAC require two signatures. As Secretary-Treasurer, Affiant provides one of those two signatures. The other signature is provided by the President, currently Steve Evans.
3. During Affiant's tenure in office, the PAC has never contributed to the campaign of any candidate for federal office. This declaration is based upon the following:
 - (a) Affiant's recollection of checks he has signed as Secretary-Treasurer.
 - (b) A review of the books and records of the PAC.
 - (c) The PAC's explicit policy to refrain from participation in federal campaigns was reaffirmed in October 1998. This policy dates, in part, from the experience and settlement of MUR 3029, in which the FEC found that certain practices of the PAC in the mid 1980's violated the FECA. Interestingly, MUR 3029 covers a time period during which the PAC was under the leadership of the charging party herein. Having learned from the charging party's errors, the current administration of the Council has refrained from any conduct which would result in the PAC making contributions to federal campaigns, either directly or indirectly.

4. Attached are the "Bylaws" of the Political Action Committee. These Bylaws have governed the PAC since at least 1988. Article VI, Section 2, provides that money may be transferred from the PAC to the Laborers' Political League of the Laborers' International Union of North America. All monies transferred pursuant to this authorization have been transferred to the Education Fund of the Laborers' Political League, a soft money fund which does not contribute to any candidacy for federal office. Since at least the settlement of MUR 3029, the PAC has not contributed monies to the hard money fund of the Laborers' Political League.

Further Affiant sayeth not.

Michael J. LaBodt
Affiant

On January 19, 1999, the above individual appeared before me in the City of Peoria.

Lynn A. Bryant
Notary Public

My commission expires on 12/12/00.



BY-LAWS OF POLITICAL ACTION COMMITTEE

* * * * *

ARTICLE I - NAME

Section 1. This organization shall be known as "North Central Illinois Laborers' District Council Political Action Committee" (an independent subdivision of the North Central Illinois Laborers' District Council). The principal office shall be located in Peoria, Illinois.

Section 2. The official abbreviation shall be "PAC".

ARTICLE II - OBJECTIVES

Section 1. The objectives and purposes of PAC shall be in conformity with those set forth in the Constitution of the North Central Illinois Laborers' District Council (District Council) and the actions, policies, rulings, orders and decisions of the hereinafter described Administrative or Executive Committees.

Section 2. The objectives shall include: informing the laborers of Illinois as to the need for the exercise of their right to vote; the passage of favorable legislation; the repeal or revision of unfavorable legislation; a program of education about such laws, their supporters and opponents; to support candidates for office who demonstrate concern for the working man and for the aims and objectives of the District Council and the entire trade union movement; to cooperate with, assist and support candidates and organizations approved by the Administrative or Executive Committees, and other legitimate activities calculated to accomplish these objectives.

Section 3. This activity shall be financed by contributions from persons who subscribe to the objectives of this Committee.

Section 4. This organization shall be confined to the State of Illinois and shall be non-partisan in its operations.

ARTICLE III - MEMBERSHIP

Section 1. Membership is open to all officers and representatives of local unions affiliated with the District Council who contribute on a voluntary basis.

Section 2. Any member of a local union affiliated with the District Council interested in promoting sound and progressive legislation may also voluntarily contribute not less than one dollar (\$1.00) per year to the PAC.

ARTICLE IV - OFFICERS AND GOVERNING BODY

Section 1. This organization shall be governed by an Administrative Committee and an Executive Committee. It shall have the following two (2) officers: Chairman and Treasurer. The President of the District Council shall appoint the Chairman and Treasurer from among the members of the Administrative Committee.

Section 2. The Administrative Committee shall be comprised of five (5) persons, four of whom are appointed by the President of the District Council and are selected from among the delegates to the District Council. The Business Manager of the District Council shall serve by virtue of his office.

Section 3. The Executive Committee shall be comprised of the Chairman and Treasurer of the Administrative Committee and Business Manager of the District Council. No contribution and no expenditure shall be accepted or made at a time when there is a vacancy in the office of either Chairman or Treasurer and no expenditure will be made without the authorization of two (2) of the Executive Committee members. At such time as shall be determined by the Administrative Committee, the members of the Executive Committee shall be bonded.

Section 4. The Administrative Committee shall have the responsibility to develop and administer a suitable program in conformity with Article II, and administer the funds of the PAC.

upon request of a majority of the members thereof.

Section 2. The Treasurer shall receive all contributions to the PAC and shall deposit same to the credit of PAC's Fund. He shall sign all official receipts and keep a systematic account of all disbursements. He shall file all reports required of him by the Administrative or Executive Committees and by any applicable laws. He shall present all bills and pertinent communications to the Executive Committee. He shall keep such records of Committee meetings as may be determined by said Committee.

ARTICLE VI - FUND

Section 1. The PAC shall maintain a fund called North Central Illinois Laborers' District Council Political Action Committee Fund. All monies spent by the PAC from this Fund shall be used to finance the activity of the PAC in attaining its objectives, and shall be disbursed only after the expenditures have been officially approved by the Administrative Committee.

Section 2. Upon direction of the Administrative Committee funds up to fifty percent (50%) of the total amount received in any accounting period may be transmitted directly to the Laborers' Political League of the Laborers' International Union of North America.

Section 3. There shall be an annual audit and such additional audits as may be ordered by the Executive Committee.

Section 4. The Treasurer shall annually arrange for the issuance of a bond when required in an amount and with such bonding company as directed by the Executive Committee.

ARTICLE VII - AMENDMENTS TO BY-LAWS

These By-laws may be amended by the Administrative Committee.

ARTICLE VIII - DISSOLUTION

Section 1. The Administrative Committee shall have the power to dissolve PAC.

Section 2. In the event of dissolution as provided above, all funds remaining after payment of all obligations shall be used for the furtherance of political and/or citizenship education as the Administrative Committee shall direct, in a manner which would conform with applicable laws.